



64523

V Semester B.B.A. Degree Examination, April/May 2023

(CBCS Scheme)

**BUSINESS ADMINISTRATION**

**Paper – 5.3 : Investment Management**

Time : 3 Hours

Max. Marks : 70

**Instruction :** The answer should be written in **English** only.

**SECTION – A**

1. Answer **any five** of the following sub-questions. **Each** sub-question carries **two** marks : **(5×2=10)**

- a) What is a warrant ?
- b) Expand CAPM and ADR.
- c) What is mutual fund ?
- d) What do you mean by systematic risk ?
- e) What is economic analysis ?
- f) Define portfolio.
- g) Mr. Venky has a perpetual bond of the face value of Rs. 1,750. He receives an interest of Rs. 180 annually. What should be its value if the required rate of return is 12% ?



**SECTION – B**

Answer **any three** of the following questions. **Each** question carries **six** marks : **(3×6=18)**

2. Briefly explain different types of derivatives.
3. Explain the Markowitz Model of portfolio management.
4. Write a note on industrial analysis.
5. Explain the steps involved in buying securities.
6. An investor considering the purchase of an 6% Rs. 500 bond redeemable after 5 years at par. The investors required rate of return is 7%. How much should he be willing to pay now to purchase the bond ?

P.T.O.



## SECTION – C

Answer **any three** of the following questions. **Each** question carries **fourteen** marks :

(3×14=42)

7. Discuss the types of mutual funds.
8. What do you mean by economic forecasting ? Explain its techniques.
9. Explain the steps of the portfolio management process.
10. Explain the types of securities.
11. Mr. Suhas invested in equity shares of Naveen Ltd., its anticipated return and associated probabilities are given below :

<b>Return (%)</b>	- 30	- 20	10	20	30	40	60
<b>Probability</b>	0.05	0.10	0.15	0.25	0.30	0.10	0.05

You are required to calculate the expected rate of return and risk in terms of standard deviation.



(3×8=18)